

AS

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 95-1077-C - ORDER NO. 96-17 ✓  
JANUARY 5, 1996

IN RE: Application of Dial Distance, Inc. ) ORDER  
for a Certificate of Public Convenience ) APPROVING  
and Necessity for Authority to Provide ) CERTIFICATE  
Intrastate Resale and Operator Assisted )  
Telecommunications Services Within the )  
State of South Carolina. )

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Dial Distance, Inc. ("Dial Distance" or "the Company") requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including operator assisted services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1994) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Dial Distance to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Dial Distance's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Dial Distance complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No

Petitions to Intervene or protests regarding Dial Distance's Application were received by the Commission.

A public hearing was commenced on December 19, 1995, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Vice Chairman, presided. Dial Distance was represented by B. Craig Collins, Esquire; Catherine D. Taylor, Staff Counsel, represented the Commission Staff.

In support of its Application, Dial Distance presented the testimony of Carter Smith, Director of Regulatory Compliance for Dial Distance. Mr. Smith explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Smith described the Company's services, its managerial, technological, and financial resources, and its marketing procedures. Mr. Smith stated that Dial Distance will provide its services in compliance with the Commission's rules and regulations.

After full consideration of the applicable law, the Company's Application, the evidence presented by the Company and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. Dial Distance is incorporated under the laws of the State of Delaware, and has received a Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina.

2. Dial Distance operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. Dial Distance has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Dial Distance to provide intrastate interLATA service and to originate and terminate toll traffic in the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Dial Distance for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, Dial Distance may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Dial Distance may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Dial Distance shall not adjust its rates below the

approved maximum level without notice to the Commission and to the public. Dial Distance shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1994).

4. Dial Distance is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

6. Dial Distance shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Dial Distance changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and the termination of

toll traffic in the same LATA, Dial Distance shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

8. Dial Distance shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. Dial Distance is allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by Dial Distance. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This information should be included in the information pieces, such as tent cards or pay telephone stickers, identifying Dial Distance as the operator service provider for the pay telephones or guest telephones.

10. Dial Distance is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying Dial Distance as the provider of operator service for intrastate interLATA calls. Dial Distance is required to brand all calls identifying itself as

the carrier for the hotel or motel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

11. For the provision of operator services, Dial Distance shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

12. Dial Distance shall file its revised tariff and accompanying price list reflecting the findings herein and its agreed upon tariff amendments within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the Commission's Rules and Regulations.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

FEI NO. \_\_\_\_\_

CITY, STATE, ZIP CODE \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).

SIGNATURE \_\_\_\_\_

NAME (PLEASE TYPE OF PRINT) \_\_\_\_\_

TITLE \_\_\_\_\_